THE Cotton SITUATION

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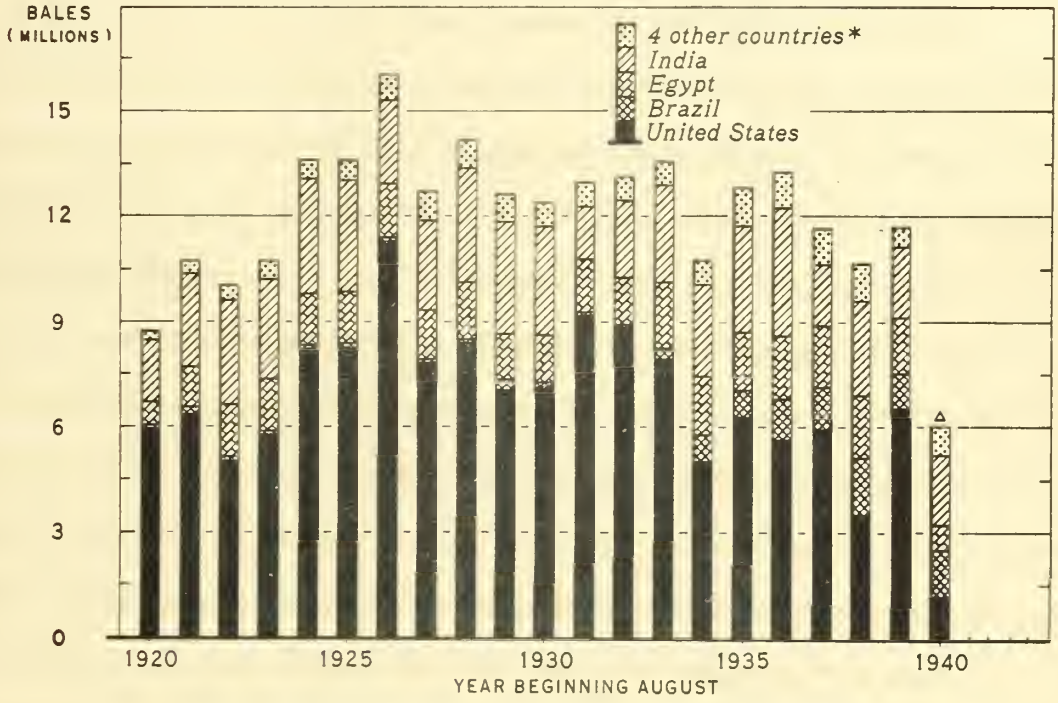
COTTON: EXPORTS FROM SPECIFIED COUNTRIES, 1920-40



*ARGENTINA, ANGLO-EGYPTIAN SUDAN, CHINA, AND PERU. DATA FOR CHINA 1920-31, AND PERU 1920-21, CALENDAR YEAR BASIS

△ PARTIALLY ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE NEG. 39550 BUREAU OF AGRICULTURAL ECONOMICS

LARGELY BECAUSE OF THE WAR, EXPORTS FROM EIGHT OF THE LEADING EXPORTING COUNTRIES WERE ONLY ABOUT ONE HALF AS LARGE IN 1940 AS IN 1939. THEY MAY BE EVEN SMALLER IN 1941. THERE WERE WIDE VARIATIONS IN THE CHANGE IN EXPORTS FROM INDIVIDUAL COUNTRIES BETWEEN 1939 AND 1940. INCREASED PRICE DISPARITIES BETWEEN AMERICAN AND FOREIGN GROWTHS WERE LARGELY RESPONSIBLE FOR A MUCH GREATER THAN PROPORTIONATE DECLINE IN EXPORTS FROM THE UNITED STATES. THIS AND OTHER FACTORS WERE RESPONSIBLE FOR LARGER EXPORTS FROM THE ANGLO-EGYPTIAN SUDAN, ARGENTINA, AND BRAZIL IN 1940 THAN IN 1939 WHILE EXPORTS FROM THE UNITED STATES DECLINED 82 PERCENT.

THE COTTON SITUATION AND OUTLOOK

Summary

During the first part of the current season farmers received the highest prices for cotton since 1929 and the highest prices for seed in m than 21 years. A continuation of present prices, with the crop as now es mated, would result in the largest returns from marketings of lint and se in more than a decade.

With employment and industrial activity expected to continue high, and with large direct purchases of cotton textiles, the outlook for domes cotton consumption during the current season is exceptionally favorable. Furthermore, considerable quantities of cotton may be needed this season substitutes for jute and other imported fibers. In August, and probably September, the annual rate of domestic cotton consumption was somewhat ab 10-1/2 million bales, and would have been still higher if quantities of c ton distributed to low-income families for mattress making had continued large as in recent months. In view of the continuing high level of deman and the large volume of unfilled orders on manufacturers' books, domestic consumption may average this high rate for the entire season, with total consumption approximating 10-1/2 million bales. This indication takes in account the probable reduction in quantities of cotton to be used this se for mattress making and by the automotive and tire industries. Last seas domestic consumption reached nearly 9-3/4 million bales, about 1-3/4 mill bales above the previous record high of 1936.

The outlook for cotton exports remains extremely unfavorable becau of the large proportion of world's spindles that are under Axis control a the low level of cotton mill activity in Great Britain and Japan. The re

plan for making Government-owned cotton available for export at prices greatly below those in domestic markets is designed to encourage exports. In addition, substantial quantities of cotton will be exported under the Lend-Lease Act. At best, total exports for the current season do not seem likely to exceed materially the 1.1 million bales exported last season. Exports last season were the smallest since the Civil War period and only one-fifth as large as the below-average exports of 1939-40.

Total domestic disappearance (consumption plus exports) no doubt will be lower than average again this season despite the exceptionally large domestic consumption. Nevertheless, it is expected to exceed the current crop, now estimated as the equivalent of about 10-1/2 million running bales, thereby reducing the carry-over somewhat. Even so, the carry-over on August 1, 1942 will still be exceptionally large, and much of it will again be either owned or held as collateral against loans by the Government.

The relatively high prices for cotton and for alternative farm products, along with employment opportunities afforded by the defense program, have provided an opportunity to make some further, though not necessarily permanent, adjustment in domestic production. With this in mind, the goal for the 1942 planted acreage was established at 22 to 24 million acres. This compares with a planted acreage of 23-1/2 million in 1941, which was somewhat smaller than it otherwise would have been because of unfavorable weather and the payment of cotton stamps to farmers for planting below their allotments. With average yield and with disappearance about at present levels, an acreage equal to or below the 1942 goal would result in some further reduction in stocks.

-- September 29, 1941

THE DOMESTIC SITUATION AND OUTLOOK FOR 1941-42

Situation Favorable to Farmers; Price and Income Highest in More Than Decade

Cotton farmers, now marketing their 1941 crop, are receiving higher prices than they have received in more than a decade. The 85 percent of parity Government loan rate, heavy domestic consumer and industrial purchas accompanying the nation's tremendous defense activity, and large direct Government purchases both of cotton textiles and of goods competing with co tonseed products, are important factors behind the relatively high prices o lint and seed. Also the smaller than average crop and the relatively small proportion of the crop being marketed are important. Still another contrib ing element is the rising general commodity price-level along with public discussion of the possibilities of price inflation, which has influenced tr ers on the futures markets and may contribute to holding by farmers.

These price-strengthening developments have much more than offset th adverse price effects of the loss of a large part of the cotton export mark As a result, domestic cotton prices during the first 29 days of September averaged about 17.11 cents, basis Middling 15/16-inch at the 10 designated markets, the highest since 1929. Such prices are nearly twice as high as a year earlier and 2-4/5 cents above the 1941 Government loan rate in those markets. With a crop equal to or above the September estimate, lint prices around this level and cottonseed prices about as at present would give farm a gross return from their crop of 1 billion dollars or more for the first time since 1929. (Figure 3, table 5.)

Indicated 1941-42 Supply Slightly Lower; Larger Carry-over Offset by Smaller Crop

The total domestic supply of American cotton for the 1941-42 season is expected to be about 22.5 million running bales, about 300,000 bales belo the level of a year earlier. Because of the relatively low total domestic disappearance (9.6 million bales consumption and 1.1 million exports) last season, the carry-over increased from 10.5 million to 11.9 million bales but this increase is more than offset by a decline in production from 12.3 million to 10.6 million bales as estimated in September (figures 1, 4, and 5; tables 1, 6, and 7).

On August 1, 1940 the carry-over of "free" cotton, i.e. the total carry-over less stocks owned and held as collateral by the Government, total ed only 1.7 million bales, the third smallest since 1920 (the other years being 1924 and 1925). In contrast, as a result both of heavy repossessions of Government loan cotton and reduced exports, the "free" carry-over on August 1 of this year totaled 5.4 million bales, the fourth largest since 1920, (the other years being 1921, 1932, and 1933). During the 12 years in which there has been Government-held cotton at the beginning of the season, the total domestic carry-over of American cotton on August 1 ranged from 4.3 million to 13.0 million and averaged 8.3 million bales, of which an average of 4.5 million bales were Government held stocks and 3.8 million "free" stocks.

Consumption Running Somewhat Above 10-1/2 Million Bales Rate; Expected to Continue at Exceptionally High Level

The present annual consumption rate on the basis of total consumption of all kinds of cotton in August is somewhat above 10-1/2 million bales. This compares with a rate of 7.6 million bales in August 1940 and a total 1940-41 consumption of 9.7 million bales of all kinds of cotton which exceeded the previous consumption record by about 1.8 million bales. Foremost among the factors contributing to the exceptionally high level of domestic cotton consumption are those traceable to our national defense effort. The Government has bought large quantities of cotton textiles. It has also bought many articles made partly from cotton and cotton products. The defense program has also stimulated a high level of domestic civilian demand for cotton products through its effect on consumer incomes.

Although the total raw cotton equivalent of the cotton products to be purchased by the Government this season is not definitely known, it is expected that the volume may be greater this season than last. The extension of the term of service under the Selective Service Act and numerous other forms in which our all-out defense effort is manifested indicate that the volume of cotton products that will be needed by the Government will continue large for an indefinite period.

Substitution of Cotton for Other Fibers May Largely Offset Reduced Uses for Mattresses and Automobiles

There is some likelihood that substantial quantities of cotton may be used this season to replace jute and certain other fibers such as silk, hemp, flax, and cotton linters. At the present time there is no existing shortage of some of these fibers, but if shipping difficulties continue it is quite likely that there may be substituted a substantial quantity of cotton. The situation with respect to linters is somewhat different, because orders by the Office of Price Administration and Civilian Supply and the Office of Production Management will set aside 80 percent of the total supply of linters for use by the chemical industry. The primary purpose of these orders was to safeguard the supply of chemical grade linters so that there would be no shortage of linters for the production of smokeless powder. Since only 20 percent can now be used for felting and padding purposes, it appears likely that low grade short staple cotton may be used to replace the better grades of cotton linters normally used.

In past years the automobile industry has been one of the largest consumers of cotton and cotton products. However, with present plans to reduce automobile output greatly in 1942 the needs of the industry for cotton will be much smaller. In normal times such a reduction in cotton requirements would be more serious in that it would likely result in a corresponding net decline in consumption. This season, with consumption limited largely by the ability of the mills to produce rather than by the demand for textiles, it is quite likely that any decrease in consumption of cotton by the automobile industry will be offset by increased demand elsewhere so that no great change in cotton consumption is likely to result.

The surplus removal programs of the United States Department of Agriculture also increased the quantity of cotton consumed. Most important of the surplus removal programs from the standpoint of the volume of cotton accounted for last season were the cotton mattress and comfort programs through which about 400,000 bales of raw cotton plus important quantities o ticking and comfort covering were distributed to low-income and relief hous holds. This season the mattress programs are to be operated on a greatly restricted basis and will account for only a small proportion of the volume of consumption which they contributed last season.

Other surplus removal programs which increased cotton consumption we the cotton-bagging-for-cotton-bales program, the cotton-insulation program, the cotton stamp plan, and the program to encourage the use of staple cotto in the manufacturing of fine writing paper, and the supplementary cotton pr gram. There were also increased subsidies last season on exports of cotton products. This and some of the other surplus removal programs will continu in effect this season.

Textile Production Up Sharply in 1940-41; Spindle Activity Now Nearly One-Third Above a Year Ago

The textile industry was in a good position to meet the sharply increased demand beginning a little more than a year ago. In August 1940 only about 89 percent of the spindles in place were in operation and those that were being operated worked an average of 318 hours during the month. In August 1941 the percentage of active spindles increased to 95 and the avera hours of operation per spindle during the month increased to 421 hours, gai of 7 and 32 percent respectively. For the entire industry there was an increase of 30 percent in the total number of active spindle hours during Aug compared with a year earlier.

The production of textiles can hardly be increased as much this seas as last. During a large part of last season sales of unfinished textiles we equal to or greater than the then current rate of production. However, in recent months there has been a marked tendency on the part of mills to limit their forward sales of textiles to a somewhat shorter period of time than formerly. The result has been a relative scarcity of available goods for sale even though a strong demand has been evident. Despite this slackening in sales, the volume of unfilled orders is still large and it together with the strong demand indicate that cotton consumption will continue at a very high level in the coming months. For the entire season it may total or even exceed 10-1/2 million bales.

Unfavorable Export Outlook Despite Shipments Under Lend-Lease and Sale of 1937 Loan Cotton

The export outlook for American cotton during the present season is even more unfavorable in many respects than it was last season when exports totaled only 1.1 million bales, the smallest volume since the Civil War peri Because of increased shipping difficulties, and diplomatic and military developments, the number of countries able to import American cotton is even smaller now than a year ago. Another factor which has become more unfavorable to American exports has been the widening price disparity between Ameri and foreign growths.

Offsetting these difficulties, at least in some respects, are three Government programs which will stimulate exports. Perhaps the most important of these is the lease-lend program under which substantial quantities of cotton are expected to be exported. In addition, there is the recently announced program of the Commodity Credit Corporation to sell Government stocks of 1937 cotton at 13-1/4 cents per pound for export, provided exporters comply with certain regulations. This is intended to offset at least a part of the price differences between American and foreign cottons in foreign markets. The third program designed to aid exports is the subsidy of 2-1/2 cents per pound on cotton exported to Canada which was announced September 27. This program will supplement the program to sell 1937 loan cotton by erasing most if not all of the remaining price disparity between American and foreign growths in Canadian markets. These are intended to retain for the United States at least a portion of the foreign market for our cotton without the necessity of lowering domestic prices to world levels. Even with these aids exports this season probably will total only a small fraction of their pre-war volume. They may possibly equal or somewhat exceed the 1.1 million bales exported last season.

Cotton Prices in Early September Highest Since 1929

Cotton farmers who are now marketing their 1941 crop are receiving higher prices than they have received in more than a decade. From August through December of last season the 10-market monthly average price of Middling 15/16-inch cotton ranged from 9.38 cents to 9.91 cents per pound. By March it was 10.58, and it then continued to advance, averaging 16.14 in August, and 17.11 during the first 29 days of September. The farm price has also advanced sharply, and on August 15 was 17.53 or only one point below the average of Middling 15/16-inch cotton in the 10 markets. This was the highest farm price since October 1929 and the highest percentage of parity reached since September 1927. (Figure 2, tables 2, 3, and 4.) The September farm price of cottonseed was the highest since 1920.

Of primary importance among factors responsible for the higher level of prices in recent months has been the increase in the loan rate to 85 percent of parity. As a result of this change in loan policy and changes in the level of parity prices the 10-market average loan rate of Middling 15/16-inch cotton, gross weight, is 14.33 cents this season compared with 9.30 cents last year. Other factors influencing prices which have already been discussed include heavy domestic consumer and industrial purchases accompanying the nation's tremendous defense activity, large direct Government purchases both of cotton textiles and products made partly from cotton, a smaller than average crop, and possible substitution of cotton for other fibers. Still another element which has contributed to the recent advance in cotton prices is the sharply rising general price level.

General Price Level Expected to Advance;
Inflationary Tendencies Noted

The rise in general commodity prices which has so far occurred can be traced to developments such as the rise of industrial activity and consumer incomes, actual and anticipated shortages of some industrial goods, increased Government loan values on basic farm products, the food-for-defense

program, and higher costs of importing many important raw materials obtained from abroad. Recently, however, there have appeared numerous instances of price advances of a different character. Some of these appear to be largely a result of speculative activity based on the increasingly widespread belief among business men and consumers that prices will rise sharply during this war as in past ones. This type of sharp price advance, sometimes coming in apparent response to events which ordinarily would cause hardly a mild ripple in the commodity markets, is characteristic of a general inflationary upswing of prices which many observers have been expecting. When prices of many commodities begin to rise sharply without normal reference to changes in consumer demand or in supply conditions, prices of individual commodities go up merely because other prices are going up. During the World War prices of some commodities rose sharply, and the gains were held for long periods, despite large supplies and curtailed market outlets.

The effects on commodity prices of changes in economic conditions must be interpreted with special care under the peculiar circumstances prevailing now. For example, the tendency now in evidence for industrial production to flatten off after a sharp rise ordinarily would have a weakening influence on prices. In the present instance, however, this tendency reflects the attainment of practical capacity operation in many industries and shortages of materials which require diversions from civilian to defense lines of production. The cessation of the rapid upswing of industrial production, therefore, may under such circumstances be an evidence of conditions tending to force prices upward rather than to depress them.

Future movements of the general price level under present conditions cannot be forecast with as much assurance as usual, partly because the action which will be taken with respect to some of these problems cannot be foretold. This is a time when only the uninformed are "positive" about anything concerning prices.

THE DOMESTIC OUTLOOK FOR 1942-43

Carry-over to be Reduced: Production Likely to Continue Small

If domestic consumption continues at a rate of above 10-1/2 million bales and exports total as much or more than the 1.1 million bales exported in 1940-41, the domestic disappearance of American cotton would total about 11-3/4 million bales or more. This in turn would, with the crop as now estimated, give a carry-over of American cotton on August 1, 1942 of less than 10-3/4 million bales compared with 11.9 million bales a year earlier. If the 1942-43 crop is of about the same size as is now indicated for this season, the total supply next season will be smaller than in 1941-42.

It is especially difficult to forecast the probable carry-over of free cotton. In this connection, however, several things seem fairly certain: In the first place, it is probable that the 1938, 1939, and 1940 loan stocks will be depleted still further before they are pooled by the Government. It is also fairly certain that most of our exports this season will be either cotton exported under the terms of the Lend-Lease Act, all of which is taken from Government-owned stocks, or Government-owned cotton from the 1937 crop

which has recently been offered for sale to exporters who meet certain requirements at 13-1/4 cents per pound. In view of the price disparity which hinders new sales of free cotton for export, it is expected that exports of such free cotton will be exceptionally small, in which case the total disappearance of free cotton would not substantially exceed domestic consumption. With 5.4 million bales of free cotton at the beginning of this season, and a 10.6 million-bale crop, the free supply for the season would total about 16 million bales if there were no change in Government stocks. This is much larger than the expected disappearance of free cotton during the season. However, as long as cotton prices remain materially above Government loan rates there may be little net movement into the 1941 Government loan.

Production goals have been estimated for all major and many minor farm products for 1942. In general, they encourage expanded production of practically all products except those of which there is a surplus sufficient for almost any eventuality. In the case of cotton, a national goal of from 22 million to 24 million planted acres was established. There was a suggested increase in the production of Sea Island cotton.

The suggested cotton acreage goals are distributed by States in approximately the same proportion as the tentative 1942 Agricultural Adjustment Administration allotments. These allotments are adjusted for the 4-year (1938-41) average percent of the State allotment which was actually planted, as indicated by acreage in cultivation July 1.

The defense program and lend-lease activities are providing alternatives for cotton in areas that can produce peanuts, soybeans, truck crops, feed crops for livestock, and other food crops. Current regional adjustment studies indicate that, in a number of areas, acreage increases of these crops would represent desirable changes in farming systems both immediately and over a period of years. In certain areas of some States it has been suggested that efforts might well be made to encourage the planting of a smaller than average proportion of the cotton allotments.

It should be recognized that the usual consumption pattern is for longer staple lengths of American cotton to be consumed on the domestic market than on the foreign market. Because of the greater relative dependence of American cotton on domestic markets for at least the duration of hostilities, it has been recommended that the proportion of the longer staples be increased. An important part of the needed increase in production of longer staples could be brought about by encouraging farmers to shift to varieties producing slightly longer staples wherever this is practical.

It seems quite likely that in many if not most of the States the area planted to cotton in 1942 will represent a considerably larger proportion of the allotted acreage than the average for the 4 years 1938-41, provided weather conditions are about average or better and no special effort is made to encourage under-planting. This would be due primarily to the fact that cotton prices are now 75 percent or more above those received during the past 4 seasons. The continuation of high loan rates such as are in effect this season would likely result both in a marked reduction in Agricultural Adjustment Administration payments and fairly high returns from marketings of cotton and cottonseed. This would also encourage planting nearer to

allotments than in past years, since income would be received largely from the sale of lint and seed rather than from Government payments. Other reasons for planting nearer to allotments than in 1941 include: (1) Unusually bad weather in 1941 which materially reduced the area in cultivation on July 1, and (2) the 1941 supplemental cotton program by which farmers were given cotton-order stamps for planting below their allotment. On the other hand, higher prices for alternative farm products, increased labor and other production costs, increased nonagricultural employment opportunities, and possible shortages of fertilizer may prevent a larger planting in some areas.

Newly introduced into the cotton situation is crop insurance, which will be available for the first time on the 1942 crop. The machinery which is already being set up is similar to that already in operation in the Wheat Belt. It is still too early to foresee the effect this program will have on cotton acreage and the income of cotton farmers.

THE FOREIGN COTTON SITUATION AND OUTLOOK

Foreign Production Declines in 1941; August 1 Carry-over at New High Level

In discussing the domestic situation, mention was made of shipping difficulties throughout the world and the wide price disparities which have caused American cotton to be relatively overpriced in terms of foreign in most foreign-consuming countries to which cotton can still go. Little was said about other aspects of the foreign cotton situation.

The commercial production of foreign cotton in 1940 is now estimated at 16.3 million bales, 478 pounds net weight. This would be third only to the record production in 1936 and 1937 when foreign commercial production was about 18-1/3 million bales each year. Since the carry-over on August 1, 1940 was also comparatively large, the total supply of foreign cotton in the world was 24.1 million bales, the fourth largest supply on record. According to tentative estimates of the New York Cotton Exchange Service foreign production is expected to decline to about 15.6 million bales this season but due to the increase in carry-over to 9.1 million bales, the highest on record, the total supply of foreign cotton in the world increased to 24.7 million bales (figures 4 and 5, tables 6 and 7).

During the period 1935-39 the consumption of cotton in foreign countries ranged from 20.7 million to 22.7 million bales per year, and averaged 21.6 million. Of this amount, 16.3 million bales were foreign cotton and 5.3 million American. Last season the total consumption declined to 17.1 million, or 79 percent of the preceding 5-year average. However, even though total consumption in foreign countries declined 21 percent, the consumption of American declined 56 percent compared with a decline of only 10 percent in the case of foreign cotton. During the 5-year (1935-39) period foreign consumption of American cotton was about one-third as much as the consumption of foreign cotton. Last season, however, this percentage declined to 16 percent. (Figure 6, table 8.)

Another aspect of the foreign cotton situation is considered in the cover page chart and table 9, "Exports from Specified Countries," where it is

shown that the combined exports from eight of the leading exporting countries of the world in 1940-41 1/ were only from 46 to 56 percent of the corresponding level during each of the preceding 5 years. Here again it is evident that exports of American cotton suffered a much greater than proportionate decline, for whereas we have already seen that American exports were 82 percent below the 1939-40 level, Brazilian exports increased 38 percent, those from the Anglo-Egyptian Sudan increased 80 percent, and those from Argentina 14 percent. Egyptian exports, like those from the United States, were greatly restricted, but they declined 57 percent compared with 82 for the United States.

Foreign Cotton Consumption Likely to Decline Further

Because of the unsettled conditions throughout the world, it is difficult to foresee the volume of cotton which will be consumed. Several general statements, however, seem warranted. In the first place, the total volume of cotton consumed in foreign countries is likely to decline considerably further. The outlook is for further decreased cotton consumption in the United Kingdom. Because of the freezing orders and other unsettled conditions, Japan may lose a considerable part of its remaining market for textiles. This and the direct effects of the freezing orders seem likely to result in materially reduced Japanese imports of not only American but also other kinds of cotton.

Since the level of American exports was smaller than the foreign consumption of American cotton last season, the carry-over of American cotton in foreign countries shrank from 2.1 million bales on August 1, 1940 to about [illegible],000 on August 1 of this season. At best exports this season are not expected to materially exceed 1.1 million bales, the total supply of American cotton in foreign countries will likely be somewhat smaller than the 2.6 million bales consumed last season. This indicates that a further decline in foreign consumption of American cotton can be expected this season.

In both Japan and much of continental Europe conditions have forced a reduction of cotton imports. One of the results has been an expansion in the use of synthetic fibers. From a longer-time standpoint this expansion of synthetic fiber production has an important bearing on the outlook for cotton. Granting that it is the war that prevents greater consumption of cotton at the present time in Japan and on the continent of Europe, there is no assurance that there will be a complete return to cotton after hostilities cease and these countries again begin trading with other countries on a more normal basis. Even if synthetic fibers were often inferior to natural fibers for many uses at the outbreak of the war, it may be found after the war is over that the technology of synthetic fiber production will have been so improved that the output of at least a large part of the plants will be able to compete on a free market with the natural fibers in a far wider variety of uses than at the outbreak of hostilities. Furthermore, the necessity of fostering self-sufficiency during the war may be found to have resulted in building a capacity to produce a volume of synthetic materials sufficient to insure an even higher level of synthetic fiber consumption throughout the world than has yet prevailed.

1/ United States, Brazil, India, Egypt, Anglo-Egyptian Sudan, Argentina, China, and Peru.

Table 1.- Cotton American: Supply and distribution in the United States, 1920-41

(Data for neg. 39565)

Year beginning August	Supply					Distribution			
	Production 1/	Carry-over August 1			Total supply	Consumption	Destroyed	Exports	Total disappearance
		Loan stocks	Other stocks	Total carry-over					
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
1920	13,664		3,541	3,541	17,205	4,677	60	5,744	10,481
1921	8,285		6,724	6,724	15,009	5,613	70	6,170	11,853
1922	10,124		3,156	3,156	13,280	6,322	37	4,789	11,148
1923	10,330		2,129	2,129	12,459	5,353	20	5,647	11,020
1924	14,006		1,439	1,439	15,445	5,917	26	7,999	13,942
1925	16,181		1,503	1,503	17,684	6,176	50	8,045	14,271
1926	18,162		3,413	3,413	21,575	6,880	70	10,963	17,913
1927	12,957		3,662	3,662	16,619	6,535	20	7,639	14,194
1928	14,555		2,425	2,425	16,980	6,778	18	8,053	14,849
1929	14,716		2,131	2,131	16,847	5,803	25	6,697	12,525
1930	13,873	1,312	3,010	4,322	18,195	5,084	23	6,820	11,932
1931	16,877	3,393	2,870	6,263	23,140	4,744	62	8,754	13,560
1932	12,961	2,379	7,201	9,580	22,541	6,004	30	8,426	14,460
1933	12,712	1,129	6,952	8,081	20,793	5,553	40	7,552	13,145
1934	9,576	3,002	4,646	7,648	17,224	5,241	30	4,816	10,087
1935	10,495	5,088	2,049	7,137	17,632	6,220	35	6,040	12,295
1936	12,375	3,237	2,099	5,336	17,711	7,768	45	5,511	13,324
1937	18,412	1,665	2,722	4,387	22,799	5,616	65	5,672	11,353
1938	11,665	6,964	4,482	11,446	23,111	6,736	66	3,353	10,155
1939	11,418	11,049	1,914	12,963	24,381	7,655	125	6,125	13,905
1940 2/	12,304	8,733	1,748	10,481	22,785	9,571	90	1,039	10,700
1941 2/	10,550	6,480	5,442	11,922	22,472				

Compiled from records and reports of the Commodity Credit Corporation and reports of the Bureau of the Census and the New York Cotton Exchange Service.

1/ In season ginnings plus an allowance for city crop.

2/ Preliminary.

Table 2.- Cotton: Estimated average price per pound, received by farmers, United States, 1909 to date
(Data for neg. 39190)

Season beginning August 1	Aug. 15	Sep. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Weighted Average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1909	11.6	12.2	13.2	13.9	14.3	14.3	14 0	14 0	14.1	14 1	14.1	14.1	13.52
1910	14.2	13.8	13.6	14.0	14.2	14.3	14.1	13.9	14.1	14.5	14 5	13 8	13.96
1911	12.4	11.0	9.7	8.8	8.6	8.7	9.4	9.9	10.6	11.0	11.1	11.6	9.65
1912	11.4	11.2	11.0	11.4	12.1	12.1	11.9	11.8	11.7	11.5	11.5	11.6	11.50
1913	11.7	12.5	13.2	12.6	12.0	11.7	11.9	11.9	12 1	12 4	12 4	12.4	12.47
1914	10.5	8.1	7.0	6.5	6.7	7.0	7.4	7.8	8.6	8.9	8.6	8.3	7.35
1915	8.4	9.9	11.4	11.5	11.3	11.5	11.8	11.3	11.5	11.9	12.4	12.6	11.22
1916	13.8	15.0	16.7	18.8	18.4	16.9	16.3	17.1	18.6	19.7	23.0	24.6	17.36
1917	28.9	23.4	25.3	27.5	28.3	29.2	30.0	30.9	30.3	28.0	28.0	28.1	27.09
1918	29.8	32.0	30.6	28.4	28.1	26.9	24.8	24.3	25.4	27.8	30.4	32.0	28.88
1919	31.4	30.9	34.0	36.2	35.7	36.1	36.6	37.4	38.5	38.3	37.8	37.6	35.34
1920	32.7	28.1	22.5	16.5	12.6	11.7	11.8	10.0	9.5	9.7	9.7	9.8	15.89
1921	11.4	16.3	18.8	16.9	16.2	15.9	15.9	16.2	16.1	17.4	19.8	20.8	17.00
1922	21.1	20.5	21.1	23.1	24.1	25.8	27.1	28.4	27.8	26.5	26.1	24.8	22.88
1923	23.16	25.36	27.84	29.73	32.02	32.65	31.55	28.01	29.02	28.48	28.09	27.53	28.69
1924	27.87	22.19	23.07	22.62	22.25	22.76	23.04	24.68	23.62	23.01	22.96	23.34	22.91
1925	23.41	22.49	21.51	18.00	17.07	16.89	17.17	16.44	16.43	15.93	16.01	15.44	19.61
1926	16.75	16.87	11.66	10.94	10.06	10.58	11.55	12.53	12.60	14.15	14.80	15.49	12.47
1927	17.47	22.61	20.97	20.09	18.76	18.58	17.08	17.87	18.81	20.09	19.68	21.02	20.19
1928	18.36	17.44	18.11	17.83	18.07	17.99	18.13	18.92	18.59	17.95	18.04	17.75	17.99
1929	17.92	18.20	17.57	16.31	16.06	15.93	14.92	13.85	14.82	14.54	14.02	11.92	16.79
1930	11.25	9.86	9.16	9.68	8.78	8.76	9.32	9.56	9.35	8.92	7.69	8.45	9.46
1931	6.07	5.89	5.21	6.02	5.49	5.68	5.91	6.26	5.83	5.26	4.62	5.07	5.66
1932	6.51	7.13	6.32	5.90	5.38	5.65	5.57	6.15	6.27	8.30	8.90	10.68	6.52
1933	8.80	8.81	8.99	9.59	9.66	10.36	11.85	11.84	11.65	11.06	11.65	12 29	[1]10.17
1934	13.02	13.13	12.56	12.38	12.45	12.55	12.37	11.50	11.66	12.03	11.75	11.89	[1]12.36
1935	11.44	10.55	10.88	11.51	11.37	11.10	11.02	11.14	11.19	11.27	11.38	12.62	[1]11.09
1936	12.29	12.55	12.23	12.01	12.37	12.45	12.58	18.69	18.72	12.98	12.47	12.89	12.33
1937	10.51	8.96	8.10	7.82	7.67	7.79	8.01	8.41	8.24	8.41	8.12	8.66	[1] 8.41
1938	8.12	8.23	8.53	8.52	8.20	8.29	8.23	8.31	8.15	8.48	8.67	8.77	[1] 8.60
1939	8.70	9.13	8.73	8.80	9.71	10.09	9.97	9.96	10.03	9.79	9.54	9.54	[1] 9.09
1940	9.23	9.23	9.85	9.38	9.33	9.45	9.44	9.72	10.45	11.68	12.81	14.82	9.41
1941	15.33												

Compiled from records of the Agricultural Marketing Service.

[1]Includes unredeemed loan cotton at estimated average loan value.

Based on returns from special price reporters.

Monthly prices, by States, weighted by sales to obtain monthly prices for the United States.

Season average prices for each State based on monthly prices weighted by estimates of monthly sales during the crop marketing season.

Season average prices, by States, weighted by production to obtain United States season average.

Table 3.- Cotton: Parity farm price per pound, March 1923 to date 1/

(Data for neg. 39190)

Season beginning Aug. 1	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1922								20.5	20.5	20.6	20.6	20.5	
1923	20.5	20.3	20.3	20.2	20.2	20.3	20.3	20.5	20.3	20.3	20.2	20.3	20.3
1924	20.3	20.5	20.6	20.6	20.7	20.8	21.1	21.2	21.2	21.2	21.2	21.1	20.9
1925	21.0	20.8	20.8	20.8	20.8	20.8	21.0	21.0	21.0	21.0	21.0	21.0	20.9
1926	20.8	20.8	20.8	20.7	20.7	20.6	20.6	20.5	20.6	20.6	20.7	20.7	20.7
1927	20.6	20.6	20.6	20.5	20.5	20.6	20.6	20.7	20.8	20.8	21.0	21.0	20.7
1928	20.8	20.8	20.8	20.7	20.7	20.7	20.7	20.7	20.7	20.7	20.6	20.6	20.7
1929	20.7	20.7	20.6	20.6	20.5	20.21	20.21	20.09	19.96	19.96	19.84	19.72	20.3
1930	19.59	19.47	19.22	18.97	18.85	18.35	18.10	17.86	17.73	17.61	17.36	17.11	18.35
1931	16.99	16.74	16.62	16.37	16.37	15.75	15.62	15.38	15.25	15.13	15.00	14.88	15.84
1932	14.88	14.76	14.63	14.51	14.51	14.01	13.89	13.76	13.89	14.01	14.14	14.51	14.29
1933	15.00	15.50	15.50	15.50	15.50	15.25	15.50	15.62	15.62	15.75	15.75	15.75	15.52
1934	16.12	16.24	16.24	16.24	16.24	16.24	16.37	16.37	16.37	16.37	16.37	16.24	16.28
1935	16.12	15.87	15.87	15.75	15.75	15.75	15.75	15.62	15.62	15.62	15.50	15.37	15.76
1936	16.12	16.24	16.24	16.24	16.37	16.62	16.86	16.86	16.99	16.99	16.99	16.99	16.63
1937	16.86	16.62	16.37	16.24	16.24	16.24	16.24	16.12	16.12	16.12	16.00	15.87	16.25
1938	15.75	15.75	15.75	15.75	15.62	15.62	15.62	15.62	15.62	15.62	15.62	15.62	15.66
1939	15.50	15.87	15.87	15.87	15.87	15.75	15.75	15.87	15.87	15.87	15.87	15.75	15.81
1940	15.75	15.75	15.75	15.75	15.87	15.87	15.87	16.00	16.00	16.12	16.37	16.37	15.97
1941	16.74												

Compiled from reports of the Agricultural Marketing Service.

1/ Average United States farm price in the 5 years August 1909-July 1914 of 12.4 cents times the index of prices paid by farmers, interest and taxes (payable per acre of farm real estate) (1910-14 = 100). Prior to 1923 only annual data on the index of prices paid are available, consequently monthly parity prices prior to that have not been computed.

Table 4.- Cotton: Farm price as a percentage of parity, March 1923 to date

(Data for neg. 39190)

Season beginning Aug. 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Average 1/
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1922								138.5	135.6	128.6	126.7	121.0	
1923	113.0	124.9	137.1	147.2	158.5	160.8	155.4	136.6	143.0	140.3	139.1	135.6	141.3
1924	137.3	108.2	112.0	109.8	107.5	109.4	109.2	116.4	111.4	108.5	108.3	110.6	109.3
1925	111.5	108.1	103.4	86.5	82.1	81.2	81.8	78.3	78.2	75.9	76.2	73.5	93.8
1926	80.5	81.1	56.1	52.9	48.6	51.4	56.1	61.1	61.2	68.7	71.5	74.8	60.2
1927	84.8	109.8	101.8	98.0	91.5	90.2	82.9	86.3	90.4	96.6	93.7	100.1	97.5
1928	88.3	83.8	87.1	86.1	87.3	86.9	87.6	91.4	89.8	86.7	87.6	86.2	86.9
1929	86.6	87.9	85.3	79.2	78.3	78.8	73.8	68.9	74.2	72.8	70.7	60.4	82.7
1930	57.4	50.6	47.7	50.8	46.3	47.7	51.5	53.5	52.7	50.7	44.3	49.4	51.6
1931	35.7	35.2	31.3	36.8	33.5	36.1	37.8	40.7	38.2	34.8	30.8	34.1	35.7
1932	43.8	48.3	43.2	40.7	[illegible]	40.3	40.1	44.7	45.1	59.2	62.9	73.6	45.3
1933	58.7	56.8	58.0	61.9	62.3	67.9	76.5	75.8	74.6	70.2	74.0	78.0	65.5
1934	80.8	80.8	77.3	76.2	76.7	77.3	75.6	70.3	71.2	73.5	71.8	73.2	75.9
1935	71.0	66.5	68.6	73.1	72.2	70.5	70.0	71.3	71.6	72.2	73.4	79.5	70.4
1936	76.2	77.3	75.3	74.0	75.6	74.9	74.6	81.2	80.8	76.1	73.4	72.9	74.1
1937	62.3	53.9	49.5	48.2	47.2	48.0	49.3	52.2	51.1	52.2	50.8	54.6	51.8
1938	51.6	52.3	54.2	54.1	52.5	53.1	52.7	53.2	52.2	54.3	55.5	56.1	54.9
1939	56.1	57.5	55.0	55.5	61.2	64.1	63.3	62.8	63.2	61.7	60.1	60.6	57.5
1940	58.6	58.6	59.4	59.6	58.8	59.5	59.5	60.8	65.3	72.5	78.3	86.8	64.8
1941	91.6												

Computed from revised farm price and parity prices May 20, 1941.

1/ Based on seasonal average prices.

Table 5.- Returns per acre of cotton, prices paid including interest and taxes, and purchasing power of return per acre of cotton, United States, 1910-40
(Data for neg. 39287)

Year beginning Aug. 1	Returns from marketing of cotton lint and cottonseed per acre of cotton harvested		Returns including Government payments		Index of prices paid by farmers including interest and taxes 1/	Index of purchasing power of returns per acre of cotton harvested	
	Actual	Index numbers Aug. 1909-July 1914 = 100	Actual	Index numbers Aug. 1909-July 1914 = 100	1910-14 = 100	Excluding Government payments	Including Government payments
	Dollars		Dollars				
1910	28.90	109.7			98	111.9	
1911	23.89	90.7			100	90.7	
1912	26.56	100.8			101	99.8	
1913	27.87	105.8			102	103.7	
1914	18.94	71.9			104	69.1	
1915	24.88	94.5			116	81.5	
1916	35.90	136.3			136	100.2	
1917	55.53	210.8			161	130.9	
1918	57.39	217.9			188	115.9	
1919	68.71	260.8			203	128.5	
1920	33.66	127.8			184	69.5	
1921	26.15	99.3			163	60.9	
1922	38.40	145.8			164	88.9	
1923	44.39	168.5			164	102.7	
1924	43.14	163.8			168	97.5	
1925	39.23	148.9			169	88.1	
1926	28.06	106.5			167	63.8	
1927	37.98	144.2			167	86.3	
1928	34.50	131.0			167	78.4	
1929	32.18	122.1			163	74.9	
1930	17.72	67.3			148	45.5	
1931	13.59	51.6			128	40.3	
1932	12.94	49.1			115	42.7	
1933	23.09	87.7	29.25	111.1	125	70.2	88.9
1934	27.36	103.8	31.64	120.1	132	78.6	91.0
1935	25.27	95.9	31.10	118.1	127	75.5	93.0
1936	30.44	115.6	33.36	126.6	134	86.3	94.5
1937	27.14	103.0	29.19	110.8	132	78.0	83.9
1938	24.37	92.5	35.53	134.1	126	73.4	106.4
1939	25.79	97.9	34.82	132.2	123	76.5	103.3
1940 2/	28.38	107.7	36.77	139.6	129	84.1	109.1

1/ Prior to 1923, average of successive calendar years, 1923 to date on August 1 year. 2/ Preliminary.

Table 6.- Cotton, American: World supply and consumption, 1920-41

(Data for neg. 39553)

Year beginning Aug.	Supply							Consumption 1/		
	World production	Carry-over Aug. 1			Foreign countries	World total carry-over	World total supply	United States	Foreign countries	World total consumption
		United States								
		Loan stocks	Other stocks	Total						
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
1920	13,664	0	3,541	3,541	2,797	6,338	20,002	4,677	5,591	10,268
1921	8,285	0	6,724	6,724	2,950	9,674	17,959	5,613	6,596	12,209
1922	10,124	0	3,156	3,156	2,524	5,680	15,804	6,325	6,124	12,449
1923	10,330	0	2,129	2,129	1,189	3,318	13,648	5,353	5,564	10,917
1924	14,006	0	1,439	1,439	1,272	2,711	16,717	5,917	7,394	13,311
1925	16,181	0	1,503	1,503	1,877	3,380	19,561	6,176	7,834	14,010
1926	18,162	0	3,413	3,413	2,088	5,501	23,663	6,880	8,868	15,748
1927	12,957	0	3,662	3,662	4,183	7,845	20,802	6,535	9,041	15,576
1928	14,555	0	2,425	2,425	2,781	5,206	19,761	6,778	8,448	15,226
1929	14,716	0	2,131	2,131	2,386	4,517	19,233	5,803	7,218	13,021
1930	13,873	2/1,312	3,010	4,322	1,865	6,187	20,060	5,084	5,972	11,056
1931	16,877	2/3,393	2,870	6,263	2,713	8,976	25,853	4,744	7,784	12,528
1932	12,961	2/2,379	7,201	9,580	3,683	13,263	26,224	6,004	8,381	14,385
1933	12,712	1,129	6,952	8,081	3,728	11,809	24,521	5,553	8,227	13,780
1934	9,576	3,002	4,646	7,648	3,053	10,701	20,277	5,241	5,965	11,206
1935	10,495	5,088	2,049	7,137	1,904	9,041	19,536	6,221	6,282	12,503
1936	12,375	3,237	2,099	5,336	1,662	6,998	19,373	7,768	5,325	13,093
1937	18,412	1,665	2,722	4,387	1,848	6,235	24,647	5,616	5,179	10,795
1938	11,665	6,964	4,482	11,446	2,341	13,787	25,452	6,736	4,513	11,249
1939	11,418	11,049	1,914	12,963	1,174	14,137	25,555	7,655	5,221	12,876
1940 3/	12,304	8,733	1,748	10,481	2,073	12,554	24,858	9,571	2,348	11,919
1941 3/	10,550	6,480	5,442	11,922	925	12,847	23,397			

Compiled from reports and records of the Commodity Credit Corporation, and reports of the Bureau of the Census, and the New York Cotton Exchange Service.

1/ Excluding from 20,000 to 125,000 bales destroyed annually.

2/ Probably includes some futures, the exact amount of which is not known.

3/ Preliminary.

Table 7.- Cotton, foreign: World supply and consumption, 1920-41

(Data for neg. 38618 and 39554)

Year beginning Aug.	Supply					Mill consumption		
	World production	Carry-over Aug. 1			World total supply	United States	Foreign countries	World total consumption
		United States stocks	Foreign countries	World total carry-over				
	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/
1920	6,964	283	5,131	5,414	12,378	216	6,667	6,883
1921	6,888	172	5,323	5,495	12,383	297	7,272	7,569
1922	8,327	166	4,648	4,814	13,141	341	8,547	8,888
1923	8,760	196	4,057	4,253	13,013	328	8,782	9,110
1924	10,088	117	3,786	3,903	13,991	276	9,147	9,423
1925	10,562	107	4,461	4,568	15,130	280	9,878	10,158
1926	9,768	129	4,843	4,972	14,740	310	9,621	9,931
1927	10,386	100	4,709	4,809	15,195	299	9,567	9,866
1928	11,247	111	5,218	5,329	16,576	313	10,239	10,552
1929	11,535	182	5,842	6,024	17,559	303	11,551	11,854
1930	11,503	208	5,497	5,705	17,208	179	11,197	11,376
1931	9,602	107	5,725	5,832	15,434	122	10,239	10,361
1932	10,500	98	4,975	5,073	15,573	133	10,133	10,266
1933	13,354	83	5,224	5,307	18,661	147	11,675	11,822
1934	13,466	96	6,743	6,839	20,305	120	14,154	14,274
1935	15,646	71	5,960	6,031	21,677	130	14,896	15,026
1936	18,354	73	6,578	6,651	25,005	182	17,363	17,545
1937	18,333	112	7,348	7,460	25,793	132	2/16,646	2/16,778
1938	15,844	87	8,828	8,915	24,759	122	17,136	17,258
1939	15,881	76	7,425	7,501	23,382	129	15,456	15,585
1940 3/	16,311	95	7,677	7,772	24,083	147	2/14,722	2/14,869
1941 3/	15,560	140	8,974	9,114	24,674			

Compiled mostly from reports of the Bureau of the Census and the New York Cotton Exchange Service.

1/ 478 pounds net weight.
2/ Excludes 100,000 bales destroyed.
3/ Preliminary.

Table 8.- Cotton: Mill consumption in foreign countries, of all kinds, American and foreign, 1929-40

(Data for neg. 32742)

Year beginning Aug. 1	Foreign	American	All kinds	Percentage American is of foreign
	1,000 bales 1/	1,000 bales 1/	1,000 bales 1/	Percent
1920	6,667	5,591	12,258	83.9
1921	7,272	6,596	13,868	90.7
1922	8,547	6,124	14,671	71.6
1923	8,782	5,564	14,346	63.4
1924	9,147	7,394	16,541	80.8
1925	9,878	7,834	17,712	79.3
1926	9,621	8,868	18,489	92.2
1927	9,567	9,041	18,608	94.5
1928	10,239	8,448	18,687	82.5
1929	11,551	7,218	18,769	62.5
1930	11,197	5,972	17,169	53.3
1931	10,239	7,784	18,023	76.0
1932	10,133	8,381	18,514	82.7
1933	11,675	8,227	19,902	70.5
1934	14,154	5,965	20,119	42.0
1935	14,696	6,232	21,178	41.4
1936	17,363	5,325	22,688	30.2
1937	16,646	5,179	21,825	31.1
1938	17,136	4,513	21,649	25.6
1939	15,456	5,221	20,677	33.8
1940 2/	14,722	2,348	17,070	15.9

Compiled from reports of the New York Cotton Exchange Service.

1/ American in running bales, counting round bales as half bales; foreign in bales of 478 pounds net weight.
2/ Preliminary.

Table 9.- Cotton: Exports from specified countries, 1920-39

(Data for neg. 39550)

Year beginning Aug. 1	United States	Brazil	Egypt	India	Four other countries 1/	Total eight countri
	1,000 bales 500 pounds	1,000 bales 478 pounds	1,000 bales 478 pounds	1,000 bales 478 pounds	1,000 bales 478 pounds	1,000 ba 478 poun
1920	5,973	37	678	1,793	287	8,768
1921	6,348	173	1,182	2,672	383	10,758
1922	5,007	97	1,500	3,000	446	10,050
1923	5,815	66	1,461	2,879	548	10,769
1924	8,240	51	1,496	3,263	579	13,629
1925	8,267	116	1,459	3,159	612	13,613
1926	11,300	68	1,573	2,374	713	16,028
1927	7,857	63	1,389	2,615	782	12,706
1928	8,419	63	1,642	3,273	775	14,177
1929	7,035	283	1,332	3,220	743	12,613
1930	7,133	108	1,395	3,113	646	12,395
1931	9,193	38	1,569	1,471	690	12,961
1932	8,895	5	1,315	2,221	680	13,116
1933	7,964	272	1,867	2,771	659	13,533
1934	5,037	746	1,655	2,623	721	10,782
1935	6,267	743	1,695	3,094	1,017	12,816
1936	5,689	1,081	1,828	3,007	1,040	13,245
1937	5,976	1,147	1,792	1,720	1,047	11,682
1938	3,512	1,609	1,763	2,685	1,097	10,666
1939	6,505	981	1,639	2,004	609	11,738

Compiled from official sources.

1/ Includes Argentina, Anglo-Egyptian Sudan, Peru (for calendar years 1920-21) and China (for calendar years 1920-31).

Table 10.- Cotton prices, mill margins and specified index numbers, United States, annual 1929-40, monthly August 1940-July 1941

Year beginning Aug.	Price of cotton per pound: Received by farmers 15th of month	Parity 1/	Middling 15/16" cotton-average for 10 markets 2/	Mill margin 3/	Index numbers: Cotton consumption (1935-39=100) 4/	Industrial production (1935-39=100) 4/	Wholesale prices (1910-14=100) 5/	Prices paid, interest and taxes (1910-14=100)
	Cents	Cents	Cents	Cents				
1929	16.79	20.30	16.23	13.19	91	101	134	163
1930	9.46	18.35	9.99	12.17	78	81	114	143
1931	5.66	15.84	6.09	9.43	73	63	99	128
1932	6.52	14.29	7.29	10.07	92	62	92	115
1933	10.17	15.52	11.00	13.95	85	76	106	125
1934	12.36	16.23	12.68	11.83	80	79	114	131
1935	11.09	15.76	11.83	12.63	94	96	117	127
1936	12.33	16.63	13.25	16.59	120	116	124	134
1937	8.41	16.25	9.09	12.15	86	92	119	131
1938	8.60	15.66	9.00	10.44	103	99	112	126
1939	9.09	15.81	10.09	12.68	116	117	114	128
1940 6/	9.41	16.00	11.00	16.35	146	142	119	129
1940-41 6/:								
Aug.	9.23	15.75	9.91	11.23	124	124	113	127
Sept.	9.23	15.75	9.48	12.26	120	127	114	127
Oct.	9.35	15.75	9.38	13.31	126	130	115	127
Nov.	9.38	15.75	9.66	14.24	139	134	116	127
Dec.	9.33	15.87	9.86	14.50	142	139	117	128
Jan.	9.45	15.87	10.10	14.94	144	140	118	128
Feb.	9.44	15.87	10.13	16.00	152	144	118	128
Mar.	9.72	16.00	10.58	18.17	156	147	119	129
Apr.	10.45	16.00	11.09	19.81	160	144	121	129
May	11.68	16.12	12.44	20.35	164	154	124	130
June	12.81	16.37	13.79	21.84	160	159	127	132
July	14.32	16.49	15.58	19.06	162	161	129	133
1941-42								
Aug.	15.33	16.74	16.14	20.35	160	161	132	135

1/ Average United States farm price for the 5 years August 1909-July 1914 of 12.1 cents times the index of prices paid by farmers, interest, and taxes (1910-14 = 1.00).

2/ Prices for 1929 are the premiums of 15/16" cotton at six markets (Dallas, Galveston, Houston, Little Rock, Memphis, and New Orleans) added to the price of 7/8" cotton in the 10 designated markets. Prices for 1930-38 are computed by adding the monthly average premium for Middling 15/16" to the average price of Middling 7/8" in the 10 markets. Prior to July 1937 premiums for 15/16" cotton in Norfolk, Augusta, Savannah, and Montgomery were estimated. Since 1939 prices are as quoted on Middling 15/16" cotton in the 10 designated markets.

3/ Mill margins on unfinished cloth (17 constructions).

4/ Federal Reserve Board, adjusted for seasonal variation.

5/ Bureau of Labor Statistics 1926 = 100, converted to 1910-14 = 100.

6/ Preliminary.

Table 11.- Cotton: Spot price per pound and spread between prices in specified markets, 10-year average 1927-28 to 1936-37 and 1936-37 to date

Season, month or day	American Middling			Indian			Brazilian		Egyptian	
	New Orleans 15/16"	Spread of Liverpool over New Orleans	Spread of Osaka over New Orleans	Bombay	Spread of Liverpool over Bombay	Spread of Osaka over Bombay	Sao Paulo	Spread of Liverpool over Sao Paulo	Alexandria	Spread of Liverpool over Alexandria
10-yr. av. 1927-28 to:	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1936-37	12.99	1.51	1.95	10.06	1.13	0.96	14.11	-0.03	15.34	1.78
1936-37	13.45	1.17	2.30	10.08	.79	1.21	12.95	1.17	15.46	1.91
1937-38	9.24	1.07	3.46	7.27	.69	2.32	9.26	.92	10.96	2.11
1938-39	9.04	1.11	5.02	6.57	.57	1.04	8.42	1.21	9.92	1.88
1939-40	10.23	2.41	2.10	8.13	1.81	.72	9.04	3.45	12.44	3.32
1940-41	11.06	1/	1/	2/6.64	1/	1/	2/6.91	1/	1/	1/
Aug.	9.92	3.58	2.39	6.57	3.19	1.80	6.50	6.60	11.81	8.69
Sept.	9.54	4.66	2.49	6.85	3.43	1.59	6.74	6.93	11.91	9.40
Oct.	9.47	4.18	2.75	6.58	3.68	.99	6.74	6.61	11.91	8.90
Nov.	9.77	4.07	2.68	6.85	3.86	.95	6.98	6.79	11.91	8.30
Dec.	9.94	4.26	2.76	6.43	4.79	.71	7.18	7.11	11.91	7.43
Jan.	10.17	4.45	2.48	5.92	6.04	.86	7.05	7.57	11.91	6.71
Feb.	10.22	4.18	2.07	5.77	6.20	.93	6.81	7.59	11.91	6.72
Mar.	10.79	4.30	2.15	6.30	6.08	.73	6.78	8.11	11.91	6.72
Apr.	11.07	1/	2.43	6.11	1/	.92	6.84	1/	11.91	1/
May	12.44	1/	1/	6.41	1/	1/	6.61	1/	1/	1/
June	13.75	1/	1/	7.54	1/	1/	6.81	1/	1/	1/
July	15.58	1/	1/	8.39	1/	1/	7.88	1/	1/	1/
1941-42										
Aug.	16.10	1/	1/	7.74	1/	1/	8.56	1/	1/	1/
Sept.		1/	1/	7.74	1/	1/	8.67	1/	1/	1/
Aug. 1	15.89	1/	1/	7.34	1/	1/	8.39	1/	1/	1/
8	16.24	1/	1/	7.61	1/	1/	8.59	1/	1/	1/
15	15.76	1/	1/	7.63	1/	1/	8.64	1/	1/	1/
22	16.01	1/	1/	7.87	1/	1/	8.47	1/	1/	1/
29	16.46	1/	1/	8.27	1/	1/	8.52	1/	1/	1/
Sept. 5	17.12	1/	1/	8.27	1/	1/	8.84	1/	1/	1/
12	17.58	1/	1/	8.22	1/	1/	8.84	1/	1/	1/
19	16.91	1/	1/	7.79	1/	1/	8.83	1/	1/	1/
26	16.19	1/	1/	6.67	1/	1/	8.18	1/	1/	1/

Prices at New Orleans are from records of the Agricultural Marketing Service. Prices at Bombay are from Bombay Cotton Annual and Financial News through Mar. 1941; since then from New York Cotton Exchange reports. They were converted from rupees per candy of 784 lb. at current rates of exchange (buying rates in recent weeks) as reported by the Federal Reserve Board.

Prices at Sao Paulo are from official publications and cables. Prices were converted from milreis per 15 kilograms at current rates of exchange until Sept. 1934, Oct. 1934 to Feb. 10, 1935, at open or free market rates, and from Feb. 11 to date at composite averages of official and free market rates; except from Nov. 16, 1937 through Apr. 10, 1939 when free market rates were used.

Prices at Alexandria are from the Monthly Bulletin of Agricultural and Economic Statistics. Prices were converted from tallaris per cantar at current monthly rates of exchange through Aug. 1939; since Sept.1939 converted at official rate of exchange.

American prices in the United States based on gross weight; all prices in foreign countries based on net weight.

The Liverpool Cotton Exchange was closed on Mar. 31.

1/ Not available. 2/ Preliminary.

COTTON, AMERICAN: SUPPLY AND DISTRIBUTION IN THE UNITED STATES, 1920-41

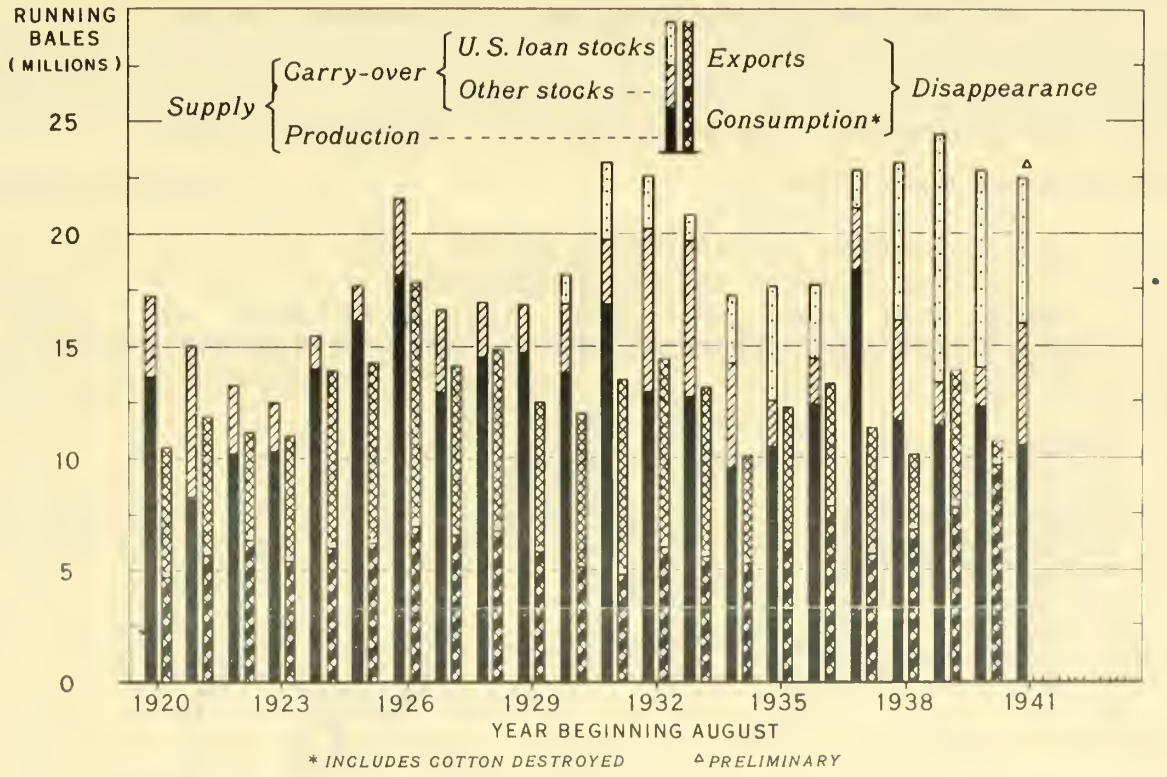


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FIGURE 1.- THE 1941-42 SEASON IS THE FIFTH CONSECUTIVE YEAR THAT THE DOMESTIC SUPPLY OF AMERICAN COTTON HAS BEEN ABOVE 22 MILLION BALES. DOMESTIC DISAPPEARANCE OF AMERICAN COTTON IN THE 1941-42 SEASON, HOWEVER, IS EXPECTED TO BE CONSIDERABLY ABOVE PRODUCTION, THUS PROVIDING FOR A REDUCTION IN THE CARRY-OVER AT THE BEGINNING OF THE 1942-43 SEASON. DURING THE PAST 12 YEARS THE DOMESTIC CARRY-OVER OF AMERICAN COTTON AVERAGED 8.3 MILLION BALES, OF WHICH AN AVERAGE OF 4.5 MILLION BALES WERE GOVERNMENT HELD AND 3.8 MILLION "FREE" COTTON. ON AUGUST 1, 1941 THE "FREE" CARRY-OVER TOTALED 5.4 MILLION BALES, THE FOURTH LARGEST SINCE 1920. A YEAR EARLIER THE "FREE" CARRY-OVER WAS 1.7 MILLION BALES, THE THIRD SMALLEST SINCE 1920. DOMESTIC CONSUMPTION OF AMERICAN COTTON TOTALED 9.6 MILLION BALES LAST SEASON TO SURPASS THE PREVIOUS RECORD BY 1.8 MILLION BALES. HOWEVER, WITH EXPORTS AT THE LOWEST LEVEL SINCE THE CIVIL WAR DOMESTIC DISAPPEARANCE TOTALED ONLY 10.7 MILLION BALES, THE FOURTH SMALLEST SINCE 1920.

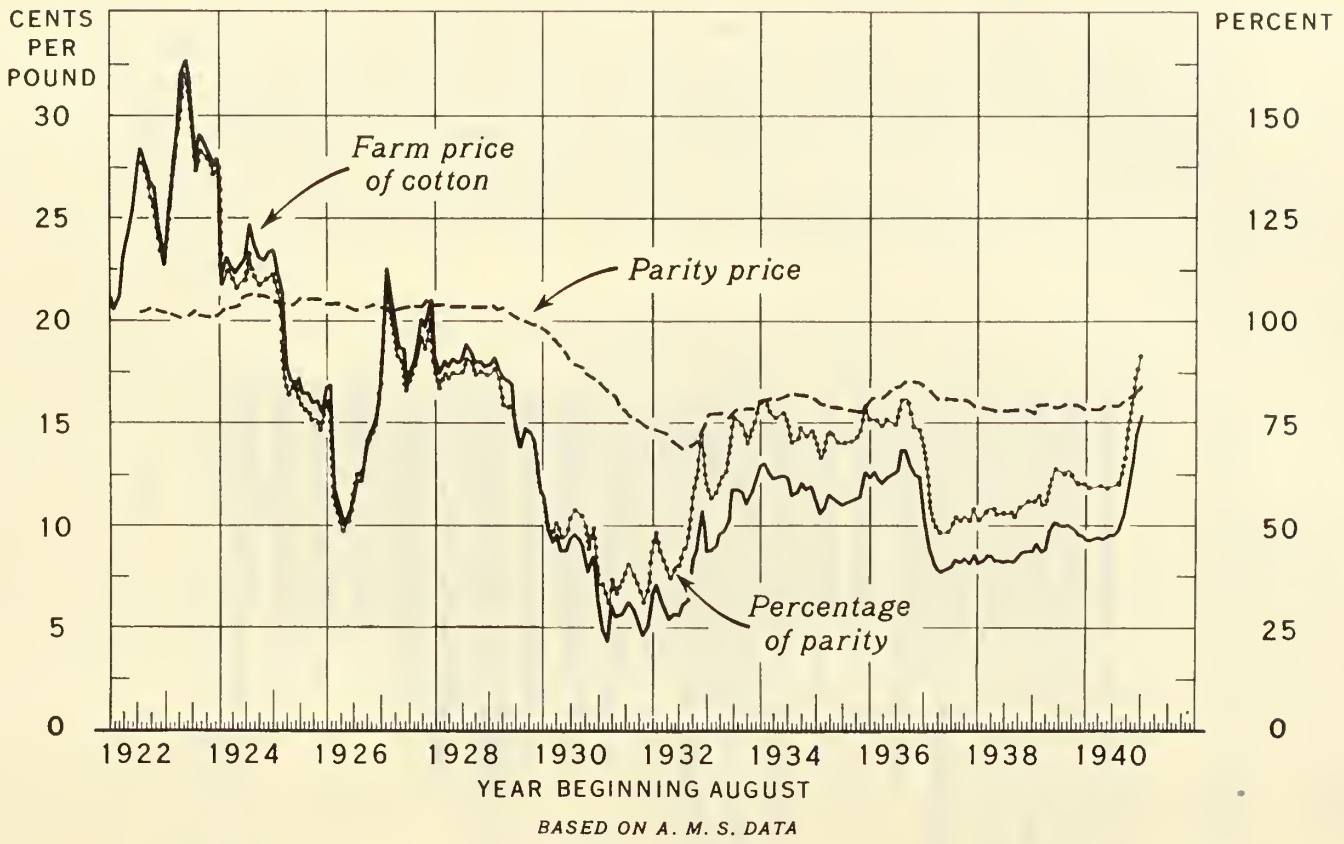
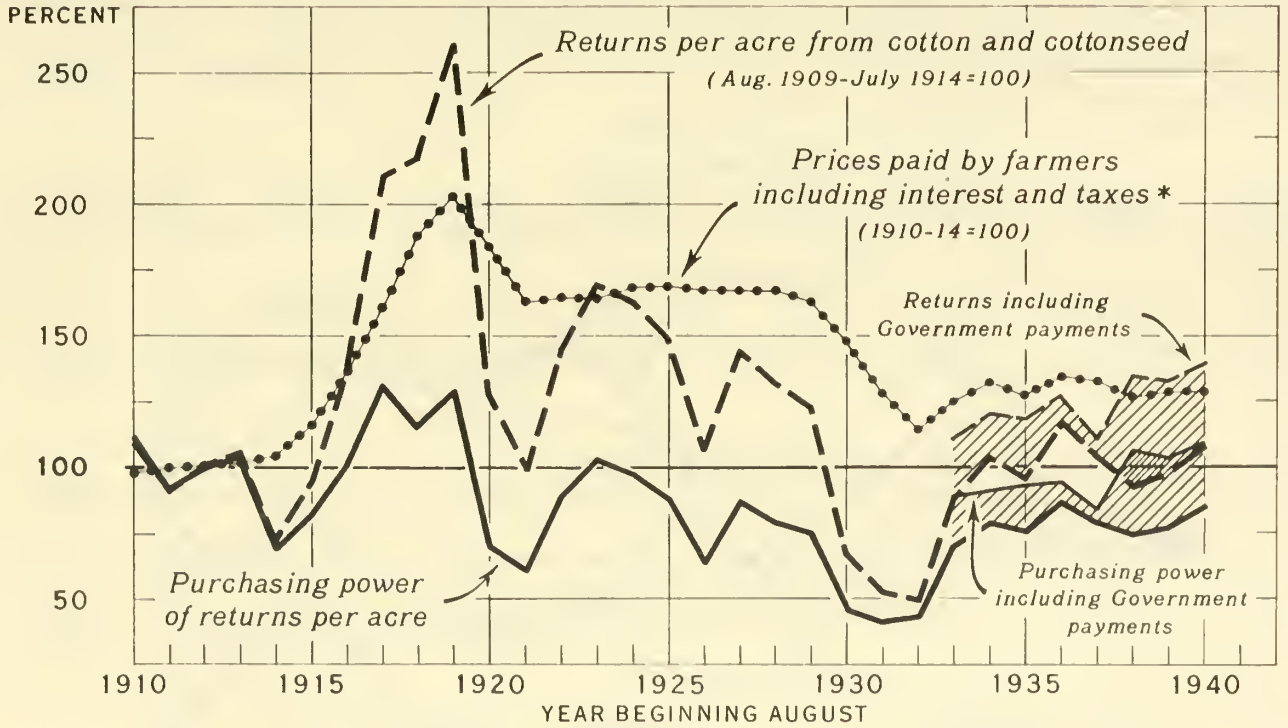


FIGURE 2.- PRICES RECEIVED BY FARMERS FOR THEIR COTTON DURING THE EARLY PART OF THE 1941-42 SEASON WERE THE HIGHEST, BOTH ABSOLUTELY AND AS A PERCENTAGE OF PARITY, IN MORE THAN A DECADE. THE "PARITY PRICE" FOR COTTON IS THAT PRICE WHICH WILL EQUAL IN PURCHASING POWER THE AVERAGE PRICE RECEIVED BY FARMERS FOR COTTON FROM AUGUST 1909 TO JULY 1914. THE PRICES RECEIVED BY FARMERS FOR COTTON VARY MORE FROM MONTH TO MONTH AND FROM YEAR TO YEAR THAN DO PRICES PAID BY FARMERS, INCLUDING INTEREST AND TAXES; HENCE, THEY VARY MORE THAN DO PARITY PRICES. THE FARM PRICE IN SEPTEMBER PROBABLY EQUALED OR EXCEEDED PARITY FOR THE FIRST TIME SINCE JULY 1928.

RETURNS PER ACRE OF COTTON, PRICES PAID INCLUDING INTEREST AND TAXES, AND PURCHASING POWER OF RETURNS PER ACRE, INDEX NUMBERS, UNITED STATES, 1910-40



* 1910-22, AVERAGE OF SUCCESSIVE CALENDAR YEARS DATA FOR 1940 ARE PRELIMINARY

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FIGURE 3.- RETURNS FROM LINT AND COTTONSEED PER ACRE OF COTTON HARVESTED AVERAGED ABOVE PRE-WAR IN 4 OF THE PAST 7 AND IN 10 OF THE PAST 17 YEARS. SINCE 1923 THE PURCHASING POWER OF RETURNS PER ACRE, EXCLUDING GOVERNMENT PAYMENTS, HAS BEEN BELOW PRE-WAR, EVEN THOUGH COTTON YIELDS HAVE INCREASED MATERIALLY. THE INCLUSION OF GOVERNMENT PAYMENTS RAISES THE AVERAGE PURCHASING POWER INDEX NUMBERS FOR THE 8 YEARS 1933-40 FROM 78 PERCENT OF PRE-WAR TO 96 PERCENT. IN EACH OF THE PAST 3 YEARS THE RETURNS PER ACRE, INCLUDING GOVERNMENT PAYMENTS, HAVE BEEN ABOVE PRE-WAR.

FARMERS ARE INTERESTED IN THE PURCHASING POWER OF THEIR TOTAL RETURNS AS WELL AS OF THE RETURNS PER ACRE. THE MARKED REDUCTION IN COTTON ACREAGE SINCE 1933, THEREFORE, MAKES EVEN MORE IMPORTANT THE PROFITABLE UTILIZATION OF LAND THAT IS NOT IN COTTON.

COTTON, AMERICAN: WORLD SUPPLY, CONSUMPTION, AND CARRY-OVER, 1920-41

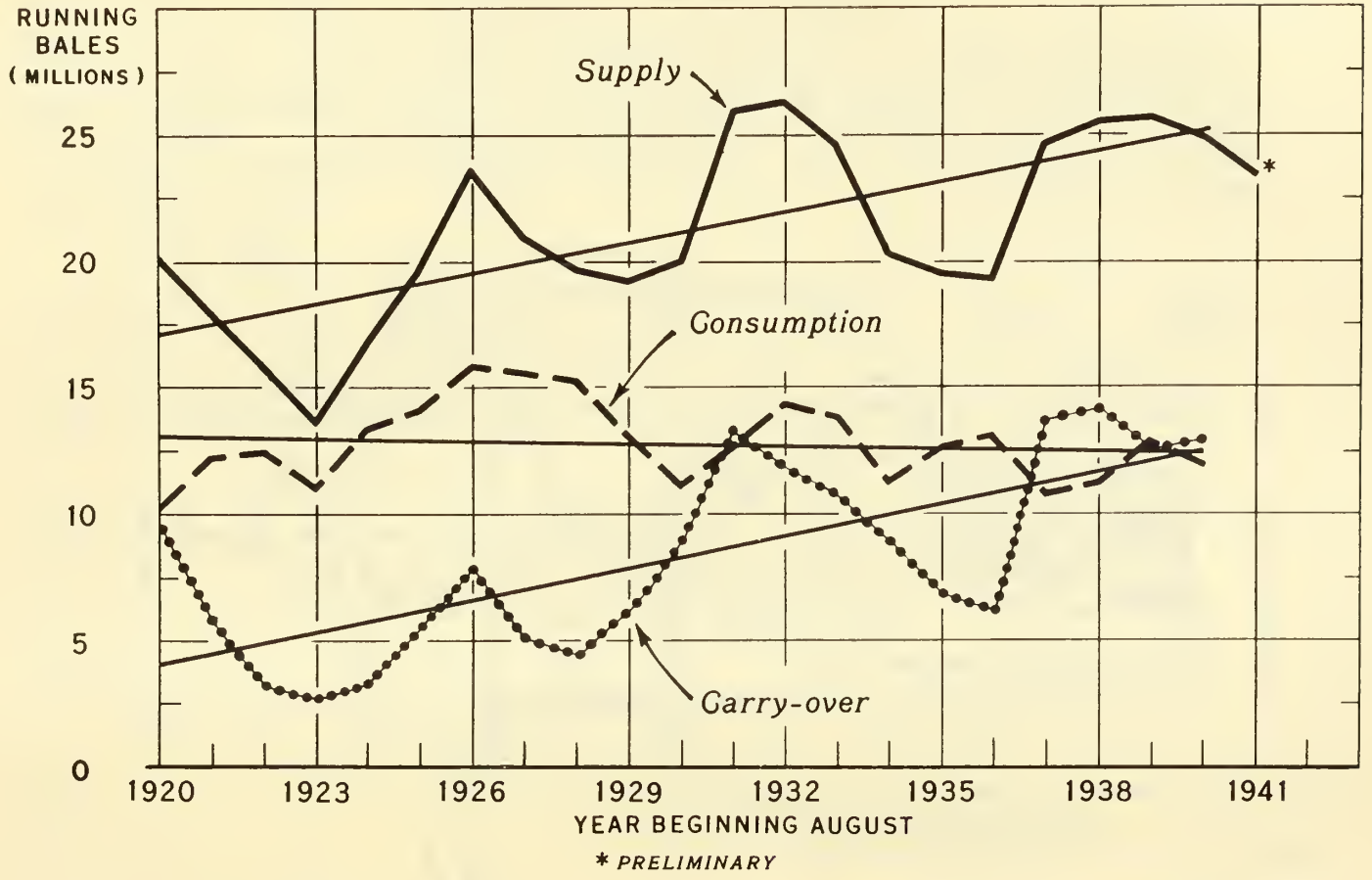

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FIGURE 4.- THE WORLD CARRY-OVER AND SUPPLY OF AMERICAN COTTON HAS INCREASED MATERIALLY SINCE 1920 AND THE TOTAL SUPPLY, WHICH WAS FORMERLY ABOUT ONE-THIRD LARGER THAN CONSUMPTION, IS NOW ABOUT DOUBLE CONSUMPTION. THIS IS AN INDICATION OF THE EXTENT TO WHICH CONSUMPTION HAS BEEN RUNNING BELOW PRODUCTION DESPITE A DOWNWARD TREND IN PRODUCTION. CONSUMPTION THIS SEASON WILL EXCEED PRODUCTION, AND THE WORLD CARRY-OVER ON AUGUST 1, 1942 WILL BE SMALLER THAN A YEAR EARLIER.

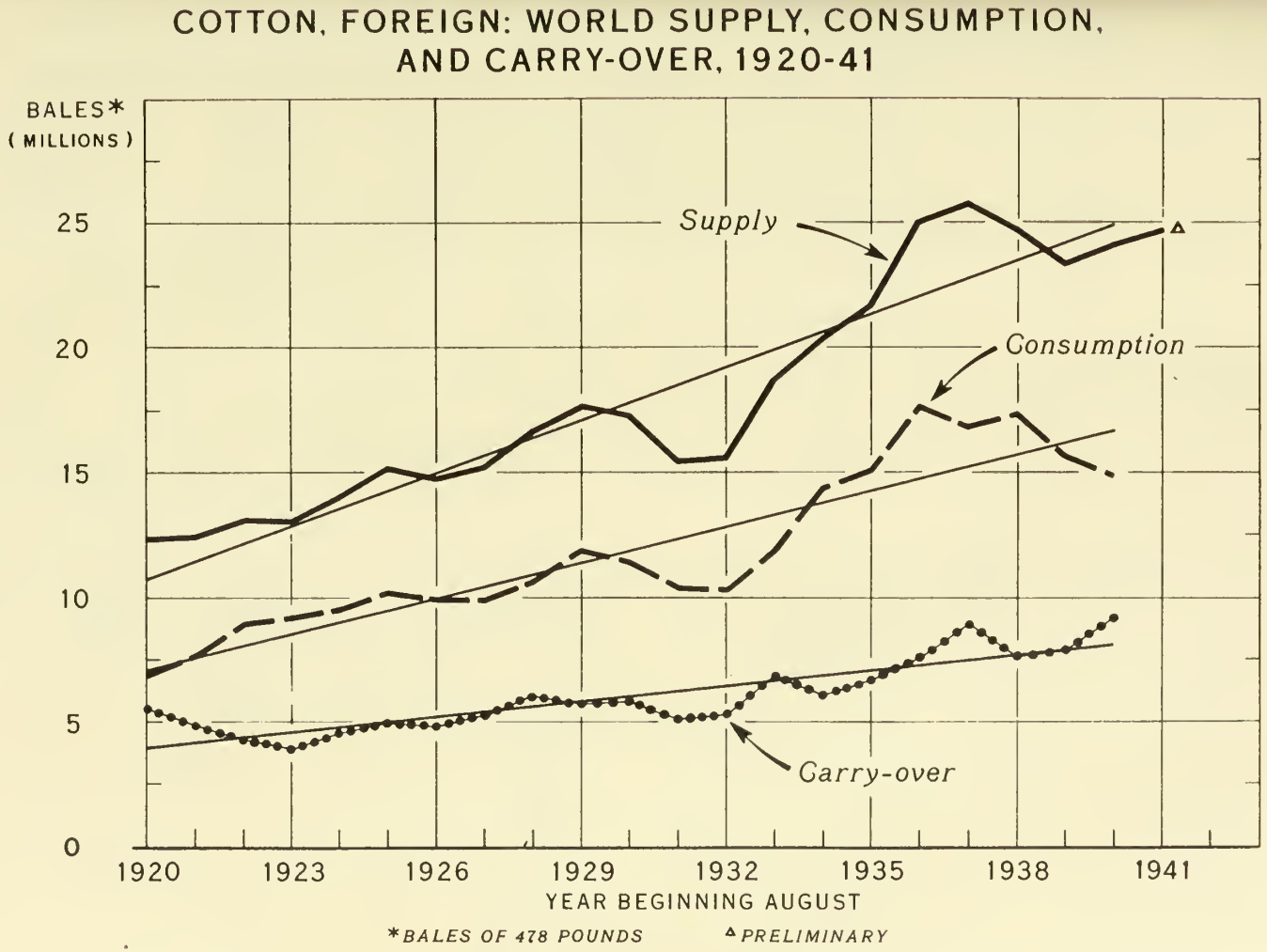

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FIGURE 5.- THE TRENDS BOTH IN SUPPLY AND IN CONSUMPTION OF FOREIGN COTTON HAVE BEEN SHARPLY UPWARD SINCE 1920. THERE WAS ALSO A SLIGHT UPWARD TREND IN CARRY-OVER, BUT THE RATIO OF CARRY-OVER TO TOTAL SUPPLY REMAINED VIRTUALLY UNCHANGED FOR THE 21-YEAR PERIOD. THIS INDICATES THAT FOR THE PERIOD AS A WHOLE THE BALANCE BETWEEN PRODUCTION AND CONSUMPTION WAS MAINTAINED EVEN THOUGH ON A GENERALLY EXPANDING SCALE. FOR THE CURRENT SEASON, HOWEVER, CONSUMPTION IS EXPECTED TO BE BELOW PRODUCTION.

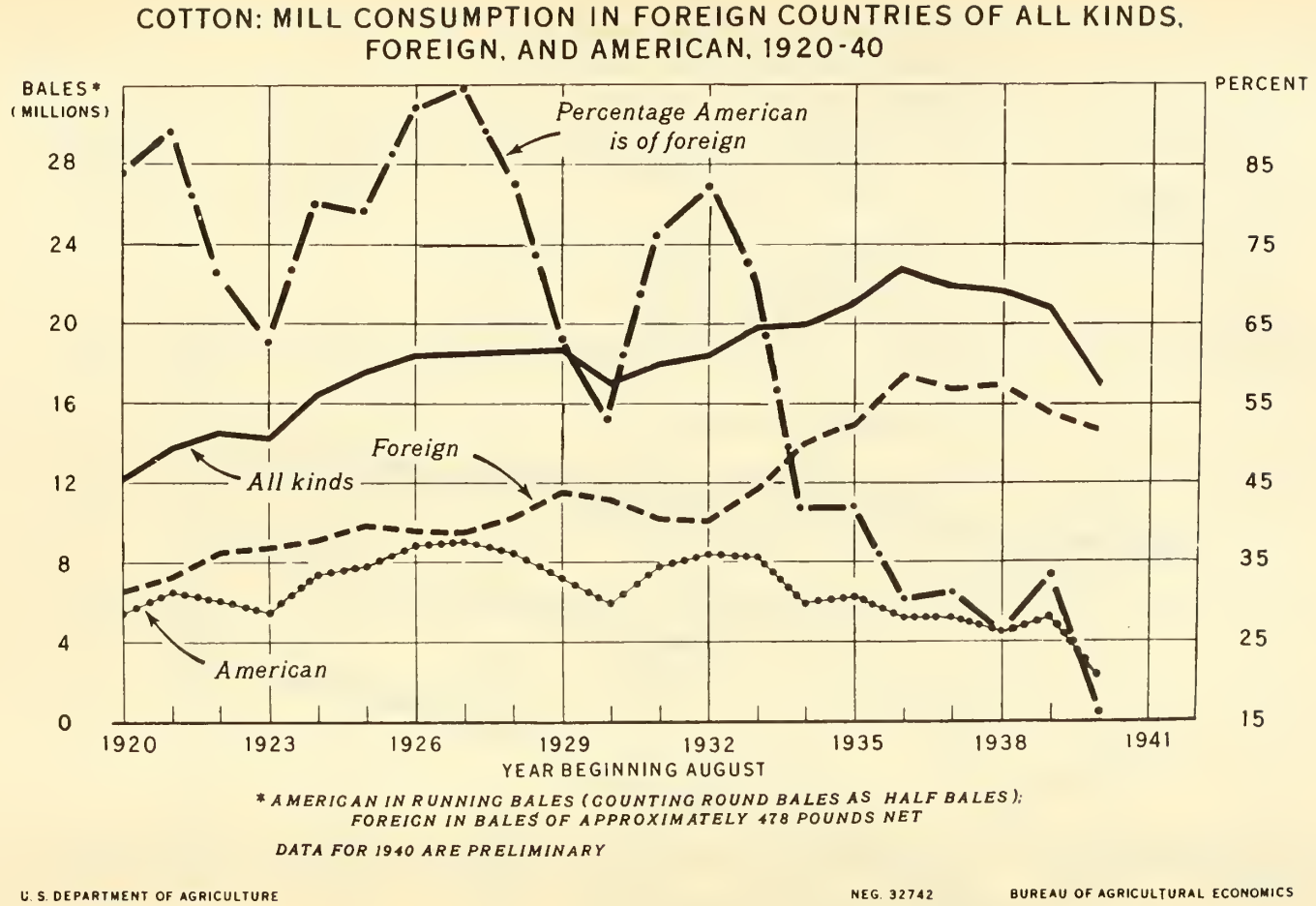

FIGURE 6.- TOTAL COTTON CONSUMPTION IN FOREIGN COUNTRIES MADE A NET GAIN FOR THE 21-YEAR PERIOD, 1920-40, OF 39 PERCENT. THROUGHOUT THE PERIOD THERE WAS A MARKED TENDENCY FOR ANY CHANGE IN THE CONSUMPTION OF EITHER AMERICAN OR FOREIGN COTTON TO BE ASSOCIATED WITH A REVERSE MOVEMENT IN THE OTHER. FOR THE PERIOD AS A WHOLE THE CONSUMPTION OF FOREIGN COTTON OUTSIDE OF THE UNITED STATES HAS SHOWN A NET INCREASE OF 121 PERCENT, WHEREAS THE CONSUMPTION OF AMERICAN COTTON DECLINED 58 PERCENT. IN 1940 THE CONSUMPTION OF AMERICAN COTTON WAS ONLY 16 PERCENT AS LARGE AS THE CONSUMPTION OF FOREIGN GROWTHS, WHEREAS FROM 1920 TO 1934 IT AVERAGED ABOUT THREE FOURTHS AS LARGE. FOREIGN CONSUMPTION OF BOTH AMERICAN AND OTHER COTTONS WILL BE EXCEPTIONALLY SMALL DURING THE CURRENT (1941-42) SEASON.